

NJHMFA HOMEBUYER MORTGAGE PROGRAM



Eligible Borrowers

Individuals only. Corporations are not permitted to act as borrowers. Borrowers purchasing properties located in the statewide areas must be first time home buyers. Borrowers purchasing properties located in the targeted areas do not have to be first time home buyers, however, at the time of loan closing no other residential properties may be owned. All borrowers must have a minimum credit score of 620. The middle score from the three credit repositories – Equifax, Experian & TransUnion must be used. If a borrower has only two credit scores, the lower of the two will be used. A borrower does not qualify if they do not have a credit score or only have one credit score.

Income Limits

Income limits for all mortgage programs are determined by the area of purchase as well as family size (listed on separate sheet).

Purchase Price Limits

Purchase price limits exist for both the statewide and target areas. Loans submitted using FHA, VA and/or RECD guidelines must adhere to FHA or HMFA guidelines (whichever is lower) regarding purchase price limits or mortgage loan limits.

Occupancy

Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.

Homebuyer Education

All Community Home Buyers Program borrowers must participate in lender sponsored counseling sessions and be issued a certificate upon completion.

Eligible Properties

One-family units, including condominiums (new and existing), 2- to 4-family dwellings which have been in existence for 5 or more years. Targeted area only: any new or existing 2 unit dwelling. Urban Target Areas (UTA) are based upon census data. Therefore, in order to find out if an address is located in a UTA, you will need to identify the census tract within which the address is located. To determine if the proposed property is within an Urban Target Area (UTA), visit the Site Evaluator (<http://www.njhousing.gov/homeownership/buyers/site/>) and see the tutorial for *how to find census information* (http://www.njhousing.gov/media/download/buyer/site_eval_tutorials/site_eval_tut_census_info.pdf).

Interest Rate

Please call a participating lender for current rates or call 1-800-NJ HOUSE.

Mortgage Loan Maturity

30 year term, conventional, fixed rate, maximum 100% Loan-to-Value (LTV). Loans may also be submitted using FHA, VA or RHS guidelines. *Loan-to-value percentage is the unpaid balance of the mortgage principal to the appraised value or sale price (whichever is lower) of the property.*

Mortgage Insurance

The following coverage is required on all conventional loans and is determined by downpayment.

100% to 97.01 LTV	40% coverage regardless of loan term. <i>(Applies to one family units only)</i>
97% to 95.01% LTV	35% coverage for a 30 year term
95% to 90.01% LTV	30% coverage regardless of loan term
90% to 85.01% LTV	25% coverage regardless of loan term
85% to 80.01% LTV	12% coverage regardless of term

Loans processed under the FHA, VA and/or RECD guidelines must have the appropriate insurance or guarantee.

Closing Costs

Borrower may fund closing costs with gifts or unsecured loans from non-profit organizations or public entities. Escrow payments must be paid from borrower's liquid assets.

Downpayment Requirements

For conventional loans, insured with private mortgage insurance, downpayments as low as 0% are acceptable. If FHA insurance is used, the downpayment is based on mortgage amount and varies from 3-5%. VA and RECD do not require downpayments.